

NEW APPLICATION  
**ORIGINAL**  
RECEIVED



FENNEMORE CRAIG  
A Professional Corporation  
Jay L. Shapiro (No. 014650)  
Patrick Black (No. 017141)  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012  
Telephone (602) 916-5000  
Attorneys for Applicant Bella Vista Water Company, Inc.

2009 MAR 13 A 11: 56

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

MAR 13 2009



**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF BELLA VISTA WATER COMPANY,  
INC., AN ARIZONA CORPORATION,  
FOR AUTHORITY (1) TO ISSUE  
EVIDENCE OF INDEBTEDNESS IN AN  
AMOUNT NOT TO EXCEED \$65,000 IN  
CONNECTION WITH (A) THE  
CONSTRUCTION OF WATER SYSTEM  
INFRASTRUCTURE IMPROVEMENTS  
AND (2) TO ENCUMBER ITS REAL  
PROPERTY AND PLANT AS SECURITY  
FOR SUCH INDEBTEDNESS.

W-02465A-09-0117 —

DOCKET NO. W-02465A-09-\_\_\_\_\_

**APPLICATION (FINANCING)**

Pursuant to A.R.S. §§ 40-285, 40-301 and 40-302, Bella Vista Water Company, Inc. ("BVWC" or the "Company"), an Arizona public service corporation, hereby applies for authority from the Arizona Corporation Commission ("Commission") to (1) issue evidence of indebtedness in an amount not to exceed \$65,000 on the terms and conditions to be set forth by the Water Infrastructure and Finance Authority ("WIFA"), and (2) encumber its real property and utility plant as security for such indebtedness. This debt will be incurred for the purpose of the installation of fire hydrant locks in the BVWC system.

In support of this application, BVWC states as follows:

1           **A. General Background.**

2           1. The Company is a public service corporation providing water service to  
3 approximately 8,548 customers in Santa Cruz County, Arizona. BVWC's current rates  
4 and charges were authorized in Decision No. 65350 (November 1, 2002).

5           2. BVWC's business office is located at 4055 Campus Drive, Sierra Vista,  
6 Arizona 85635. Its telephone number is (520) 458-5470, and its telecopier number is  
7 (520) 459-6680. The Company's primary management contact is Greg Sorensen.  
8 Mr. Sorensen is also responsible for overseeing and directing the conduct of this  
9 Application. His telephone and telecopier numbers are (623) 298-3753 and (623) 935-  
10 1020 respectively. His email address is Greg.Sorensen@algonquinwater.com. All  
11 discovery, data requests and other requests for information concerning this Application  
12 should be directed to Mr. Sorensen, with a copy to counsel for the Company in this  
13 matter, Jay L. Shapiro (jshapiro@fclaw.com).

14           3. Financial statements for the twelve-month period ending December 31, 2008,  
15 are attached at **Exhibit 1**.

16           **B. Purposes of Financial Transactions.**

17           4. The primary purpose of the long-term debt financing contemplated herein is  
18 to install fire hydrant locks in the BVWC system. The total estimated cost of the  
19 additional plant and improvements is approximately \$65,000.00. The Company will  
20 provide a detailed breakdown of the estimated cost of the water system improvements as a  
21 late-filed exhibit. The water infrastructure improvements are necessary to reduce water  
22 loss due to theft.

23           **C. Terms and Conditions of Financial Transactions.**

24           5. The Company has applied to WIFA for financing, in large part, because  
25 WIFA expects to receive monies from the recent federal stimulus package. Copies of the  
26 Company's WIFA application is attached hereto as **Exhibit 2**. However, the specific,

1 actual terms of the WIFA financing are not known at this time. BVWC will supplement if  
2 and when such information becomes available.

3 6. The Company expects that its repayment obligation to WIFA will be secured  
4 by the grant of a security interest in some or all of its real property and its water plant and  
5 system, which property and facilities are yet to be identified.

6 **D. Effects of Financial Transactions.**

7 7. The Company's proforma balance sheet for the period ending December 31,  
8 2008, is attached at **Exhibit 3**. The pro forma balance sheet reflects the impact of the  
9 financing transactions that are the subject of this Application. The pro forma income  
10 statements will be filed as a late filed exhibit to this Application. The loan proceeds will  
11 be issued for lawful purposes, and the execution of the loan agreement with WIFA and the  
12 grant of a security interest in BVWC's real property, plant and system, and the  
13 undertaking of the obligations set forth therein are within the Company's corporate  
14 powers. A Corporate Resolution authorizing the contemplated transaction is attached at  
15 **Exhibit 4**.

16 8. The financial transactions contemplated herein are compatible with sound  
17 financial practices. BVWC has been urged by the Commission's Chairman to seek WIFA  
18 financing to help address capital improvement needs with low cost financing. BVWC  
19 agrees that the pursuit of such financing is warranted.

20 9. The approvals sought herein are compatible with the public interest and with  
21 the proper performance of BVWC's duties as a public service corporation. The proceeds  
22 of the financing will be utilized exclusively to install fire hydrant locks in the BVWC  
23 system. No portion of the proceeds will be used to pay operating expenses. The  
24 approvals sought herein are necessary to ensure the Company's ability to continue to  
25 provide safe and reliable water utility service in compliance with all applicable law and  
26 regulation, including the rules and regulations of ADEQ.

10. The financing contemplated herein will not impair the Company's ability to perform its duties as a public service corporation providing water utility service.

11. BVWC is in the process of providing notice of this application by publishing notice, in the form provided by the Commission, in a newspaper of general circulation in the area in which the Company provides service. Proof of publication and a true copy of the notice as it appeared in the newspaper will be filed with the Commission.

12. The Company is submitting this Application at this time due to WIFA requirements, and shall seasonably provide supplements as additional information becomes available.

Based on the foregoing, Bella Vista Water Company, Inc. respectfully requests the following:

A. That the Commission consider this application on an expedited basis, including the scheduling of a hearing, if necessary, on this matter as soon as practicable;

B. That the Commission enter an order approving this Application and authorizing Bella Vista Water Company, Inc. to incur indebtedness in an amount not to exceed \$65,000 and to encumber its real property and utility plant and system to secure such indebtedness for the purposes described hereinabove; and

C. That the Commission authorize Bella Vista Water Company, Inc. to take such other and further action as may be necessary to effectuate the purposes of this Application, as may be appropriate under the circumstances herein.

RESPECTFULLY SUBMITTED this 13th day of March, 2009.

FENNEMORE CRAIG, P.C.

By: Jay L. Shapiro  
Patrick Black  
Attorneys for Applicant Bella Vista Water  
Company, Inc.

1 ORIGINAL and 15 copies delivered this  
2 13th day of March, 2009 to:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

7 By: N. N. N. N.  
8 2175330.1/17962.001

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

---

# EXHIBIT 1

**Bella Vista Water**  
**Profit and Loss Statement**  
**For the Year Ended December 31, 2008**

	<u>2008</u>
<b>Revenue</b>	
Metered Water Revenues	\$3,374,725
Other Revenues	126,035
<b>Total Revenue</b>	<b>3,500,760</b>
<b>Operating Expenses</b>	
Salaries and Wages	
Purchases Water	691
Purchased Power	537,026
Fuel for Power Production	
Sludge and Removal Expense	
Chemicals	4,148
Materials & Supplies	35,187
Contractual Services - Accounting	5,009
Contractual Services - Testing	59,590
Contractual Services - Other	1,267,709
Contractual Services - Legal	17,907
Equipment Rental	5,857
Rents - Building	60,600
Transportation Expenses	81,847
Insurance - General Liability	40,425
Insurance - Vehicle	4,887
Regulatory Commission Expense	9,190
Miscellaneous Expense	62,153
Bad Debt Expense	11,043
Depreciation & Amortization	540,030
Property Taxes	191,285
<b>Total Operating Expenses</b>	<b>2,934,584</b>
Operating Income	566,176
Interest Expense	120,889
<b>Total Other Income (Expense)</b>	<b>120,889</b>
<b>Net Profit (Loss)</b>	<b>445,287</b>

---

# **EXHIBIT 2**




**Bella Vista Water**  
**BALANCE SHEET**  
**AS AT December 31, 2008**

	2008	Ajdustments	2008 Proforma
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash - Operating	\$77,418		\$77,418
Accounts Receivable	356,732		\$356,732
Prepays	20,519		\$20,519
Deposits	1,135		\$1,135
<b>Total Current Assets</b>	<b>455,804</b>		<b>455,804</b>
Intercompany			
<b>Net Property Plant and Equipment</b>	<b>13,378,306</b>	<b>65,000</b>	<b>\$13,443,306</b>
<b>Other Assets</b>			
Deferred Costs	6,959		\$6,959
<b>Total Other Assets</b>	<b>6,959</b>		<b>\$6,959</b>
<b>Total Assets</b>	<b>13,841,069</b>	<b>65,000</b>	<b>13,906,069</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Liabilities	494,586		\$494,586
Current Taxes Payable	(10,241)		(\$10,241)
Current Portion of Long Term Debt	111,632		\$111,632
<b>Total Current Liabilities</b>	<b>595,977</b>		<b>595,977</b>
<b>Long Term Liabilities</b>			
Intercompany Notes Payable	381,043		\$381,043
Third Party Loans	1,424,266	65,000	\$1,489,266
Customer Meter Deposits	723,792		\$723,792
Customer Advances in Aid of Construction	6,409,201		\$6,409,201
Deferred Income Tax	(101,160)		(\$101,160)
<b>Total Long Term Liabilities</b>	<b>8,837,142</b>	<b>65,000</b>	<b>8,902,142</b>
<b>Total Liabilities</b>	<b>9,433,119</b>	<b>65,000</b>	<b>9,498,119</b>
<b>SHAREHOLDERS EQUITY</b>			
<b>Contributed Capital</b>			
Common Shares	1,898,028		\$1,898,028
<b>Total Contributed Capital</b>	<b>1,898,028</b>		<b>1,898,028</b>
<b>Earnings</b>			
Retained Earnings	4,807,257		\$4,807,257
Year to Date Income	445,287		\$445,287
Dividends Paid	(2,742,622)		(\$2,742,622)
<b>Total Earnings</b>	<b>2,509,922</b>		<b>2,509,922</b>
<b>Total Shareholders' Equity</b>	<b>4,407,950</b>		<b>4,407,950</b>
<b>Total Liabilities and Equity</b>	<b>13,841,069</b>	<b>65,000</b>	<b>13,906,069</b>

---

# **EXHIBIT 3**

**DRINKING WATER APPLICATION**  
Water Infrastructure Finance Authority of Arizona (WIFA)  
Project Financial Assistance Priority List Application

**SECTION 1: APPLICATION INFORMATION**APPLICATION NUMBER: DW-185-2009 |  **Print**

- 1.1 Applicant: Bella Vista Water Company Job Title: Business Manager
- 1.2 Contact Names: First Martin Middle Initial: K Last: Garlant
- 1.3 Address: 4055 Campus Dr City: Sierra Vista State: AZ Zip: 85636
- 1.4 Phone: (520) 281-7000 Fax: (520) 281-7433 E-Mail: martin.garlant@algonquinpower.com
- 1.5 County in Which Project is Located: Cochise
- 
- 1.6 Number of Connections to System: 8548 Population Served by the System: 25644
- 1.7 Average Monthly Fee (Base + Use): \$45.00
- 1.8 Existing Debt (principal only) Payable by System Users: \$1,840,244.82
- 1.9 Median Household Income: \$38,427.00
- 1.10 ADEQ System Identification Number (PWS #): AZ0402010,AZ0402007
- 1.11 Are you ACC Regulated? ☒ Yes ☐ No
- 1.12 Has this project received prior year WIFA funding?
- ☒ No
- ☐ Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- ☐ Yes, request is to construct a project that received TA funds in a previous funding cycle
- ☐ Yes, request is for additional financial assistance to offset actual costs of justified overruns
- 1.13 Is your company registered with the E-Verify Program? ☒ Yes ☐ No  
(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)

**SECTION 2: PROPOSED DRINKING WATER FINANCIAL ASSISTANCE PROJECT**

- 2.1 Project Title/Name: Installation of Fire Hydrant Locks
- 2.2 Type of loan required during this funding cycle? ☐ Design \$0.00 and/or ☒ Construction \$65,000.00
- 2.3 Briefly summarize below the problem (Mail or upload any supporting documentation)

Bella Vista Water Company (BVWC) is located in Sierra Vista, AZ, in the San Pedro River Natural Conservation Area. In order to protect our constantly looks for ways to reduce water loss in order to conserve our natural resources. Part of the problems encountered is water loss due to theft hydrants.

- 2.4 Briefly summarize below the Solution

Installation of fire hydrant locks will provide a very effective and low cost solution to water loss due to theft from hydrants, as well as help resources.

- 2.5 Project Purpose: (Select only one)

- ☐ Assist Non-Compliant Systems to Achieve Compliance
- ☐ Assist Compliant Systems to Meet Future Reqmnts
- ☒ Assist Compliant Systems to Maintain Compliance
- ☐ Other Assistance Not Compliance Related

## SECTION 3: EXISTING CONDITIONS AND PROJECT BENEFITS

## 3.1 Select Type(s) of Needs to be Funded

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Planning and Design Only      | <input type="checkbox"/> Treatment-Bacteriological                | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate             | <input type="checkbox"/> Treatment-Arsenic                        | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s) | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)]   | <input type="checkbox"/> Treatment-DBP           |
| <input type="checkbox"/> Treatment-Other               | <input checked="" type="checkbox"/> Transmission and Distribution | <input type="checkbox"/> Source                  |
| <input type="checkbox"/> Storage                       | <input type="checkbox"/> Purchase of System(s)                    | <input type="checkbox"/> Restructuring           |
| <input type="checkbox"/> Land Acquisition              |   |  |

## 3.2 Select Expected Project Benefit(s)

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Compliance - Existing Requirements | <input type="checkbox"/> Compliance - New Requirements | <input type="checkbox"/> Expand Service |
| <input checked="" type="checkbox"/> Reduce Public Health Risks         |  |   |

## 3.3 Water Quality Improvement

- |   |   |
|---|---|
| <input type="checkbox"/> Proposed project addresses deficiencies identified by ADEQ       | <input type="checkbox"/> Submitted a complete capacity development plan to ADEQ |
| <input type="checkbox"/> Proposed project includes installing meters to monitor water use |   |

## 3.4 Consolidation and Regionalization

- |  |   |
|--|---|
| <input type="checkbox"/> Consolidate physical facilities of existing multiple facilities | <input type="checkbox"/> Extending service to existing areas currently served by another facility |
| <input type="checkbox"/> Consolidate the operations of existing multiple facilities      | <input type="checkbox"/> Consolidate the ownership of existing multiple facilities                |

3.5 System Compliance *\*must mail or upload supporting documents*

- ☐ Notice of violations and/or consent orders from regulatory agency \*
- ☒ In compliance

## SECTION 4: READINESS TO PROCEED INDICATORS

4.1 Debt Authorization *(For more information, see WIFA Debt Authorization Guidance Document)*

- ☒ Authorized (mail or upload copy of official governing body debt authorization resolution or election results)
- ☐ Date of Election or Authorization Unknown
- ☐ Scheduled
- If scheduled, enter anticipated election or authorization date: \_\_\_\_\_ [mm/dd/yyyy]

4.2 Project Design *(Select only one)*

- ☒ Completed ☐ Engineer Selected ☐ Date of Completion Unknown ☐ Scheduled for Completion
- Enter anticipated completion date: \_\_\_\_\_ [mm/dd/yyyy]

4.3 Applicable Plan and Specification Approvals *(Select only one)*

- ☐ Obtained (mail or upload approval notification)
- ☐ Date of Approval Unknown
- ☒ Not Applicable (use textbox below to explain)
- ☐ Scheduled to Obtain Permits
- If scheduled, enter anticipated permit(s) date: \_\_\_\_\_ [mm/dd/yyyy]
- If not applicable, then explain: Installation of hydrant locks to prevent water loss through theft

4.4 Project Bids *(Select only one)*

- ☐ Solicited Project for Bidding ☐ Date of Solicit Unknown ☒ Scheduled to Solicit Bid(s)
- If scheduled, enter anticipated bid award date: 6/1/2009 [mm/dd/yyyy]

## SECTION 5: REQUESTED AMOUNT AND CERTIFICATION/APPROVAL

5.1 Estimated Date WIFA Funding Required: 7/1/2009 [mm/dd/yyyy]5.2 Estimated Financial Assistance Costs & Funding Source (*Soft costs*)

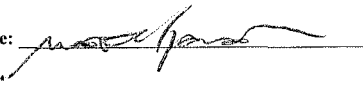
Funding Source	Project Costs
Amount Funded Locally:	\$0.00
Amount Requested from WIFA:	\$65,000.00
Other Source: _____	\$0.00
Total Cost:	\$65,000.00

5.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate.

First Name	Last Name	Title
Martin	Garlant	Business Manager

## 5.4 Uploaded Supporting Documents

Reference Name	Document Name	Original Name
Debt Authorization	DOC-650001.pdf	RA Letter - Debt Authorization - March 12 2009.pdf

Authorized Signature: Date: 3/6/09

**ADDENDUM TO PPL APPLICATION**  
**Water Infrastructure Finance Authority of Arizona (WIFA)**  
**American Recovery and Reinvestment Act (ARRA)**

Community Name:	<u>Bella Vista Water Company</u>	Date:	<u>Friday, 03/06/2009 @ 11:13 AM</u>
Project Contact:	<u>Martin Garland</u>	Phone:	<u>(520) 281-7000</u>
Project ID:	<u>DW-185-2009</u>	Email:	<u>martin.garland@algonquinpower.com</u>
Project Title:	<u>Installation of Fire Hydrant Locks</u>		

Should this Application be considered for American Recovery and Reinvestment Act funds? ☒ Yes ☐ No. If Yes, complete the following questions you have selected 'No', skip to the bottom of this addendum and select submit.

As stated in the cover letter, the purpose of the Act is to provide funds that will stimulate job creation through swift initiation of infrastructure projects. The requires WIFA to provide preference to those purposes.

**SECTION 1: PREFERENCE FOR QUICK START**

ARRA Sec. 1602. In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.

1.1 As of February 17, 2009, when will your project be prepared to start construction?

☐ Already Started ☐ Within 60 days ☐ Within 120 days ☒ Within 180 days ☐ Within 365 days

To enter into a loan agreement, organizations must have debt authorization. If you are not sure what this requires for your organization, refer to the "WIFA Debt Authorization Guidance Document" and "Sample Debt Authorization Resolution."

1.2 Do you currently have debt authorization? ☐ Yes ☒ No. If no, when will do you plan on receiving debt authorization? Prior to: ☐ March, 31, 2009 ☐ April 14, 2009 ☐ May 19, 2009 ☐ June 16, 2009 ☒ Other

1.3 After the start of construction, when will construction be completed and/or the final loan disbursement be requested from WIFA? ☐ Within 6 months ☐ Within 2 years ☐ Within 3 years

**SECTION 2: USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS**

ARRA Sec. 1605. Use of American Iron, Steel, and Manufactured Goods. (a) None of the funds appropriated or otherwise made available by this Act for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used are produced in the United States. (b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency that--

- applying subsection (a) would be inconsistent with the public interest;
- iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a quality; or
- inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
- If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- This section shall be applied in a manner consistent with United States obligations under international agreements.

2.1 Are you willing to include this "Use of American Iron, Steel, and Manufactured Goods" requirement in your plans and specification documents and supporting documentation that you have complied with this requirement? ☒ Yes ☐ No  
 If No, please provide a brief explanation below:

2.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No. If No, would you be willing to re-bid? ☐ Yes ☒ No. If you are willing to re-bid, please adjust your answer in Section 1, if necessary.

**SECTION 3: WAGE RATE REQUIREMENT**

Sec. 1606. Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter I of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and for Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

3.1 Are you willing to include this "Wage Rate Requirement" in your plans and specification documents and provide supporting documentation that you with this requirement? ☒ Yes ☐ No

If No, please provide a brief explanation below:

3.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No If No, would you be willing to re-bid? ☐ Yes ☒ No If you I and re-bid, please adjust you answer in Section 1, if necessary.

#### SECTION 4: POTENTIAL PROJECT DELAYS

4.1 To your knowledge, are there any issues such as NEPA compliance, SHPO compliance, Permit requirements, etc, that could possibly delay your project? ☐ Yes ☒ No

If yes, please explain briefly below:

#### SECTION 5: REPORTING REQUIREMENTS

5.1 Each Calendar quarter during construction, you will be required to provide a report outlining at a minimum the following information:

- Completion status of the project
- Estimated number of jobs created each quarter
- Estimated number of jobs retained since the last quarter

Will you be capable of providing this type of reporting? ☒ Yes ☐ No

5.2 Please estimate the total number of jobs 2 that will be created or retained if this project receives ARRA funding and provide a brief explanation:

Retainage of (2) field personnel to install hydrant locks throughout system.

#### SECTION 6: GREEN, EFFICIENT, INNOVATIVE PROJECTS

6.1 Does your project address any of the following: green infrastructure, water or energy efficiency improvements or other environmentally innovative projects? ☐ Yes ☒ No

##### 6.2 Sustainability Infrastructure Practices

Percent

##### A. Water Re-Use & Conservation - Project/System

The use of improved technologies and practices to deliver equal or better services with less water.

☐ project will generate or utilize reclaimed water for direct re-use

☒ project will correct water loss issues

☐ project will enhance water conservation program(s)

##### B. Energy Use & Conservation (Efficiency)

Includes capital projects that reduce the energy consumption of eligible water quality projects or produce clean energy used by a treatment works

☐ project will significantly improve system efficiency

☐ project will employ significant alternative energy sources and/or co-generation efforts

☐ project will include an Energy Audit

##### C. Green Practices (Green Infrastructure)

Green Infrastructure includes a wide array of practices at multiple scales that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

☐ project will address stormwater through green infrastructure practices

##### D. Environmentally Innovative Projects

Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal at the least life-cycle costs, subject to environmental review results. Includes approaches to incorporate green infrastructure into drinking water, stormwater and wastewater utility infrastructure and management.


☐ project utilizes solid waste reduction alternatives

☐ project meets EPA "Green Building" practices

☐ other: \_\_\_\_\_

6.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate and complete.

First Name	Last Name	Title
<u>Martin</u>	<u>Garlant</u>	<u>Business Manager</u>

Authorized Signature:  Date: 3/6/09

This Application Addendum must be printed, signed and returned to WIFA within 5 days of electronic submittal



---

# **EXHIBIT 4**



March 12, 2009

TO WHOM IT MAY CONCERN

**RE: Debt Authorization**

Algonquin Water Resources of America ("AWRA"), a Delaware corporation, owns 18 water and wastewater utilities in the States of Arizona, Texas, Missouri and Illinois. The following AWRA owned utilities are making applications to Arizona's Water Infrastructure Finance Authority (WIFA) for loans to finance capital works:

Litchfield Park Service Company (LPSCo), located in Litchfield Park, Avondale, Goodyear and Maricopa County;

Bella Vista Water Co, Inc. located in Sierra Vista and Hereford;

Northern Sunrise Water Company, Inc. located in Whetstone;

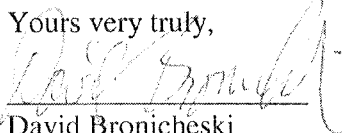
Southern Sunrise Water Company, Inc. located in Hereford;

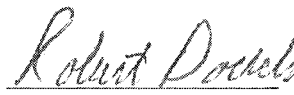
Rio Rico Utilities Inc., located in Rio Rico; and

Black Mountain Sewer Corporation, located in Carefree and Cave Creek.

Debt Authorization is hereby granted as of this date to these utilities by AWRA, all of which is subject to approval of the Arizona Corporation Commission (ACC). Application to the ACC for approval of the debt will be made by each relevant utility within three (3) weeks of notification by WIFA that its application has been approved. Each utility has no control over the time it will take to receive ACC approval of the debt.

Yours very truly,

  
David Bronicheski  
Chief Financial Officer

  
Robert Dodds  
President

Algonquin Water Services, LLC  
111 W. Wigwam Road  
Suite B  
Litchfield Park, AZ 85340

Ph: 623-935-9367  
Fax: 623-935-1020